

Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 14310 302141Z
ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 SP-02 ICA-11 AID-05 EB-08
NSC-05 SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 PA-01 /106 W
-----028967 312045Z /13

R 302126Z AUG 78
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 2382
INFO TREASURY WASHDC
AMEMBASSY LONDON

LIMITED OFFICIAL USE MEXICO 14310

EO 11652: N/A
TAGS: EFIN MX
SUBJECT: GOM STUDIES TWO BILLION LOAN

1. GOM TREASURY OFFICIALS HAVE BEEN DISCUSSING WITH
FOREIGN BANKERS POSSIBLE TWO BILLION FIVE-YEAR EURO-DOLLAR
LOAN. THE OSTENSIBLE PURPOSES OF THE LOAN WOULD BE TO
FUND SHORT-TERM INDEBTEDNESS OF PUBLIC SECTOR AGENCIES AND
TO STRENGTHEN TREASURY CONTROL OVER FOREIGN BORROWING
ACTIVITIES OF THE PUBLIC SECTOR.

2. TREASURY OFFICIALS WHO INITIATED THE IDEA ARE PROPOSING
VERY LOW RATES, ONE-THIRD OF ONE PERCENT OVER LIBOR FOR
FIRST TWO YEARS AND THREE-EIGHTHS OF ONE PERCENT OVER LIBOR
FOR LAST THREE YEARS. WHEREAS PUBLIC SECTOR AGENCIES HAVE
BEEN BORROWING MEDIUM-TERM FUNDS AT JUST UNDER ONE PERCENT
OVER LIBOR, GOM OFFICIALS APPEAR TO BELIEVE THEY CAN GET
LOWER RATES ON THIS ISSUE BECAUSE IT WOULD REPLACE CHEAP
SHORT-TERM INDEBTEDNESS. GOM ALSO PROPOSING THAT THERE BE
NO AGENT BANK, BUT THAT THERE BE A ONE-HALF OF ONE PERCENT
COMMITMENT FEE. TREASURY IS SAYING THAT THEY WOULD NOT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 14310 302141Z

DRAW DOWN THE ENTIRE LOAN AT ONCE BUT RATHER USE IT ONLY
WHEN NECESSARY TO REFUND A PUBLIC SECTOR AGENCY'S INDEBTED-
NESS. THIS WOULD INCREASE TREASURY'S CONTROL OVER THE
EXTERNAL DEBT OF THESE ENTITIES.

3. THE PRESS HAS PICKED UP REPORTS ON THIS POSSIBLE LOAN,
BUT GOM OFFICIALS ARE RELUCTANT TO DISCUSS IT, SAYING

PRIVATELY IT IS ONLY AN IDEA AT THIS STAGE. MOST OF THE
ABOVE INFORMATION HAS COME FROM FOREIGN BANKERS WHO APPEAR
NEGATIVE ON THE CONCEPT, PARTICULARLY BECAUSE OF THE PRO-
POSED RATES. IF THIS LOAN IS REALIZED IT WOULD BE THE
LARGEST SINGLE BORROWING BY MEXICO. MCANINCH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EURODOLLAR, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MEXICO14310
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780356-0667
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978089/aaaaagyz.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: de3b0467-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1811914
Secure: OPEN
Status: NATIVE
Subject: GOM STUDIES TWO BILLION LOAN
TAGS: EFIN, MX
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/de3b0467-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014